



the technical analyst

AWARDS 2012

FINALIST BEST INDEPENDENT RESEARCH HOUSE

Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + S&P 500
- + EuroStoxx 50
- + FTSE 100
- + Nikkei 225

Bonds

- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION



Multi-asset technical strategies

Week of 2nd July 2019

Mark Sturdy

Disclaimer

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by the FSA



summary

Very powerful signals arise when the charts of any one asset are aligned in all three time frames - see highlights

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Currencies

- + Dollar Euro
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Long-term **BEAR** Euro
Long-term **BEAR** Sterling
Long-term **BEAR** Yen
Long-term FLAT Euro

Medium-term **BEAR** Euro
Medium-term **BEAR** Sterling
Medium-term **BULL** Yen
Medium-term FLAT Euro

Short-term **BULL** Euro
Short-term FLAT Sterling
Short-term **BULL** Yen
Short-term **BULL** Euro

Stocks

- + S&P 500
- + EuroStoxx 50
- + FTSE 100
- + Nikkei 225

Long-term FLAT
Long-term **BULL**
Long-term **BULL**
Long-term **BEAR**

Medium-term **BULL**
Medium-term **BEAR**
Medium-term **BULL**
Medium-term FLAT

Short-term FLAT
Short-term FLAT
Short-term FLAT
Short-term FLAT

Bonds

- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Long-term **BULL**
Long-term **BULL**
Long-term **BULL**

Medium-term **BULL**
Medium-term **BULL**
Medium-term **BULL**

Short-term FLAT
Short-term FLAT
Short-term FLAT

Commodities

- + Oil
- + Gold

Long-term FLAT
Long-term **BULL**

Medium-term **BEAR**
Medium-term **BULL**

Short-term FLAT
Short-term FLAT

IMPLIED ASSET ALLOCATION

More



Currencies: Dollar Euro

CURRENCIES:

Dollar weakness against the Euro is still there in the short-term, as a reversal structure is building nicely. Note well tho' that the medium and long-term Patterns remain obstinately Dollar-friendly. Against the Yen the Dollar has been weak for some time. But on the other hand, Sterling looks weak and likely to go weaker still against the Dollar.

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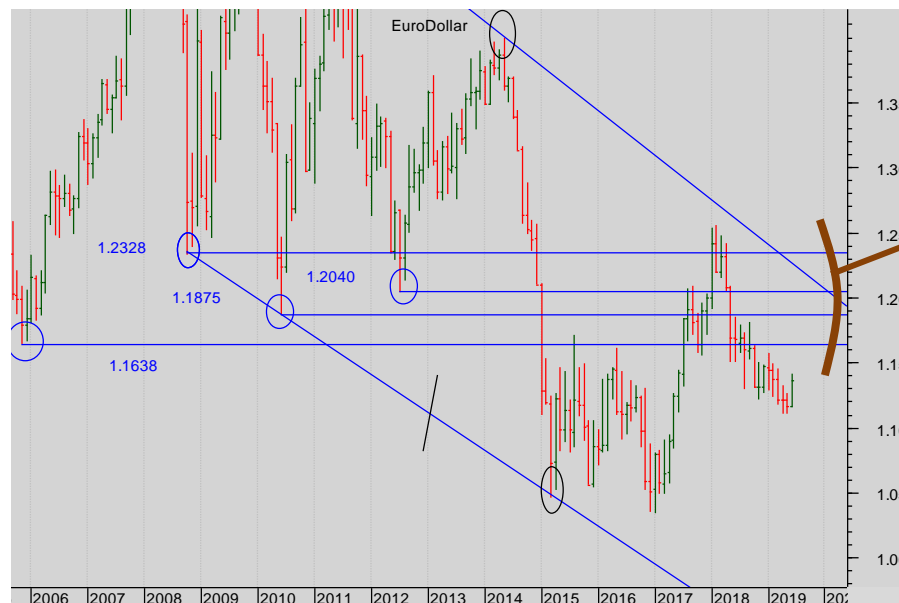
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IMPLIED ASSET ALLOCATION



Dollar Euro monthly spot cash chart

These powerful resistances above the market at 1.15 and above **have reversed or at least halted** the bear Dollar/bull Euro market ...

The pressure is on the Euro now. **We still favour a strengthening Dollar in the longer term.**

That is, a continuance of the trend from the beginning of 2018.

More



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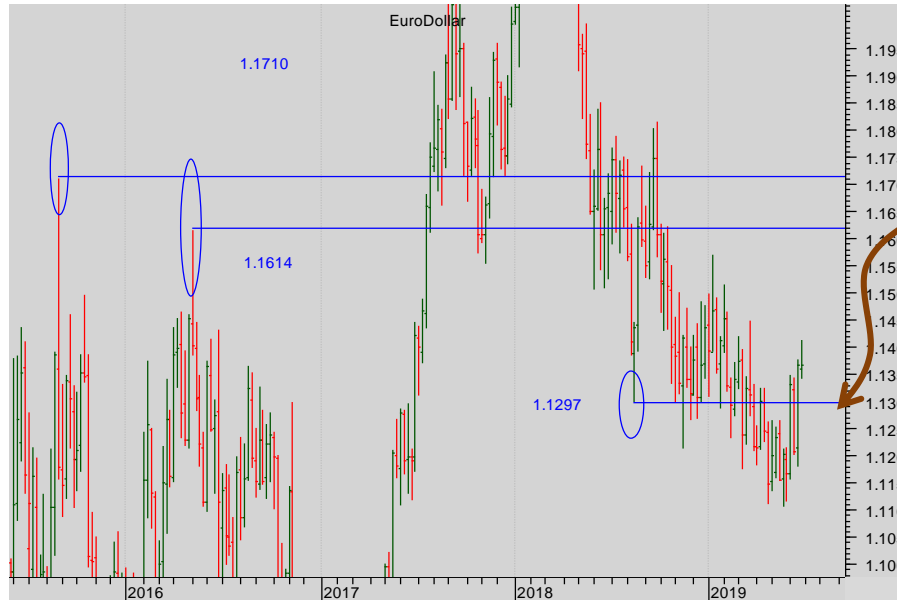
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IMPLIED ASSET ALLOCATION

Currencies: Dollar Euro



Dollar Euro weekly spot cash chart

Note the break back above 1.1297!



Dollar Euro spot cash chart daily chart...

The rally has broken the falling diagonal

There IS GOOD follow-through for the bulls...

It looks like there is a short-term bottom in place for a weakening Dollar.



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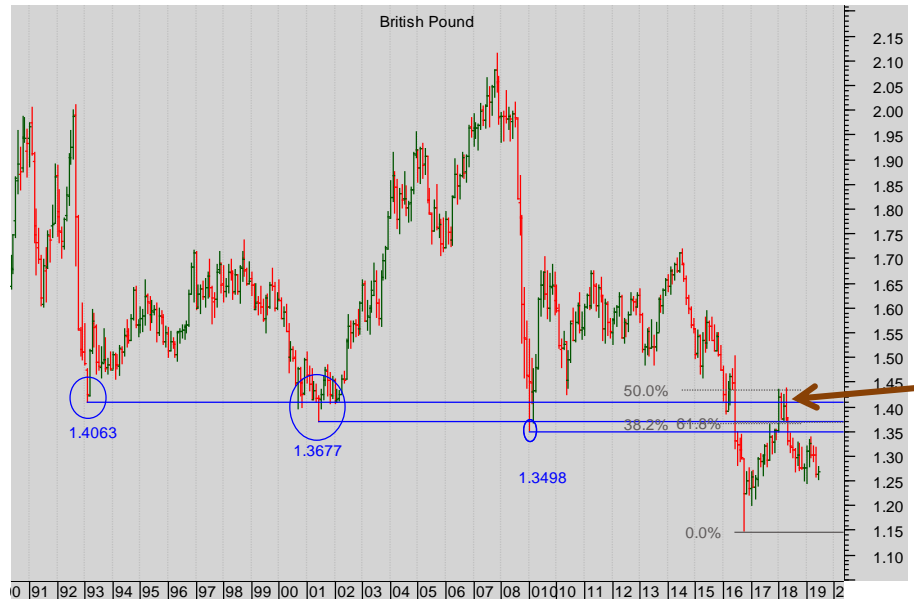
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Commodities

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IMPLIED ASSET ALLOCATION

Currencies: Dollar Sterling



Dollar Sterling Monthly spot cash chart

All the Prior Pivotal lows of 1993, 2001, 2008 and 2016 have acted as good resistance. A massive Multiple Top has formed.

The market rallied back deep into the band of resistance as far as the 50% Fibonacci resistance – **but failed there.**

Look more closely.



Dollar Sterling Monthly spot cash LINE CHART based on closes

Note here the repeated testing of the resistance band formed from low closes.

It's a clear failure...

Look more closely still...

More



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IMPLIED ASSET ALLOCATION

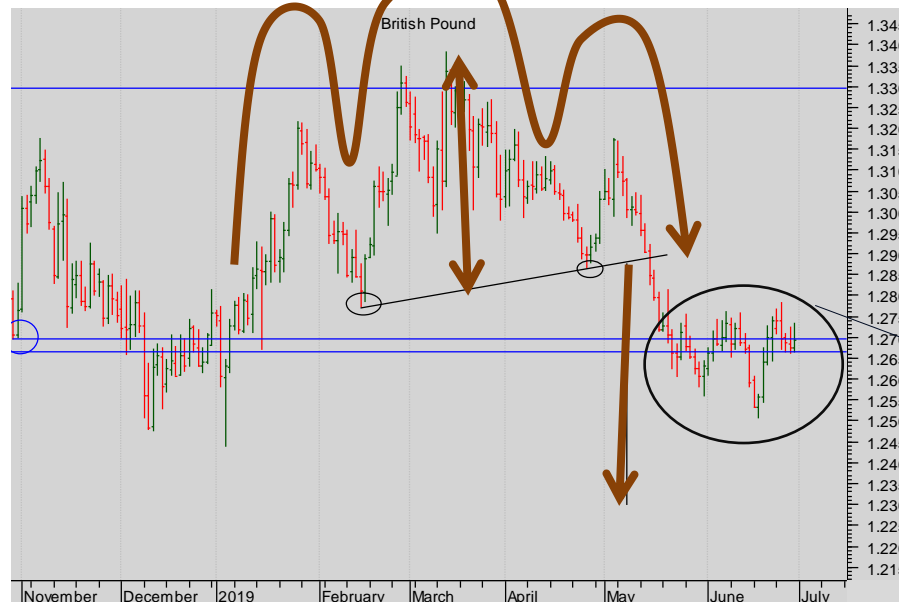
Currencies: Dollar Sterling



Dollar Sterling weekly spot cash chart

The range since August 2018 **is intact**.

Watch and wait for any breakthrough that lower boundary ...



Dollar Sterling daily spot cash chart

But here's the internal dynamic within the range: a completed H&S top – whose minimum move is yet lower than current levels...

But this is not clear.

Stand back for clarity.



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IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen monthly spot cash chart

Note the very well-formed diagonal downtrend resistance, that was smashed by the rally in 2014, and then, later, acted as good support in 2016.

No clear structure since the beginning of 2017.

Stand back.



Dollar Yen weekly spot cash chart

Watch the range.

More



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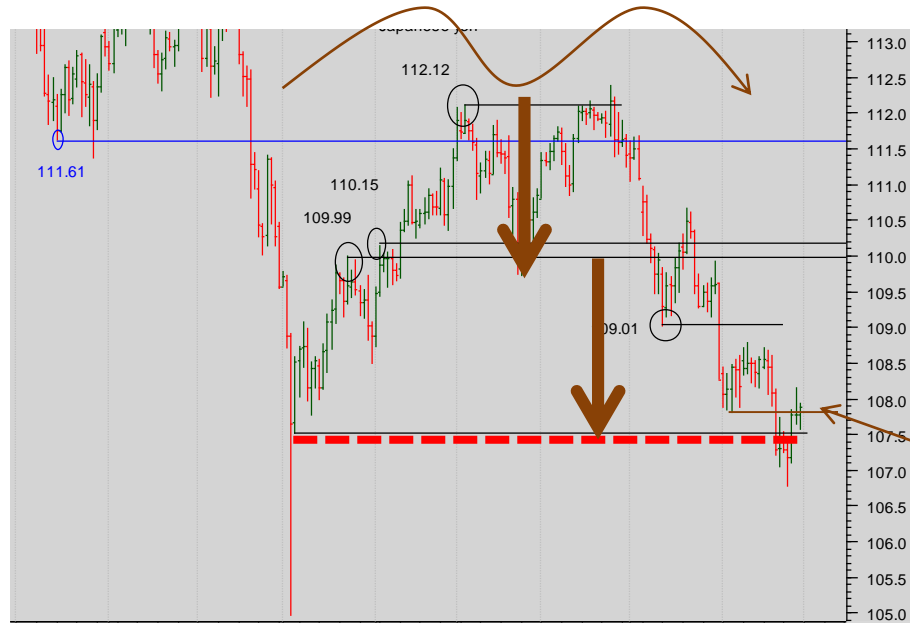
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Currencies: Dollar Yen



Dollar Yen daily spot cash chart

Surely a completed Double Top? But note that the move of a day ago has found the initial target of the Double Top!

But now there's a fresh break beneath the Prior Low of January this year.

The Yen bulls remain in charge.



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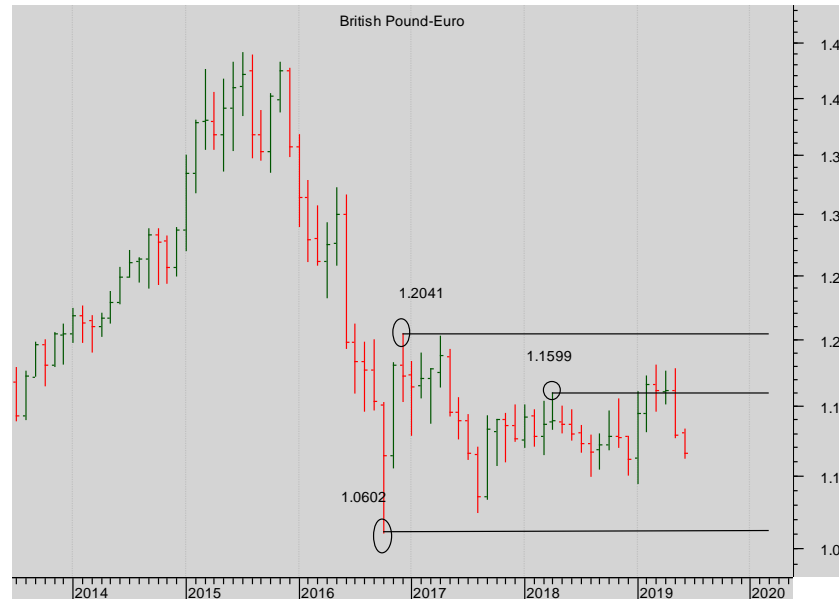
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Commodities

- + Oil
- + Gold

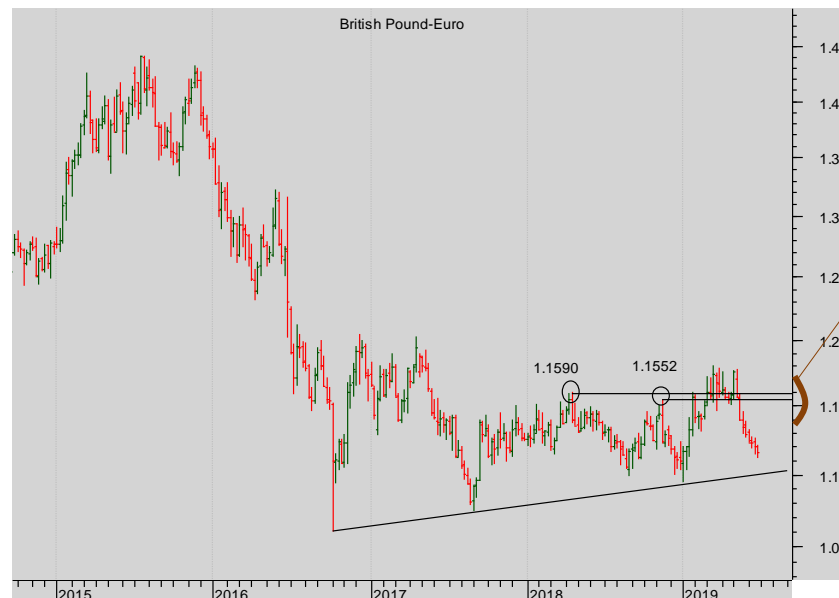
IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro monthly spot cash chart

The failed breakout of the Sterling is clear: now the market has fallen back in to the trading range.



Sterling Euro weekly spot cash chart

This detail is a bit clearer: the band 1.5552-1.1590 is the critical support.

The market has fallen back into the trading range.

More



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- + **Sterling Euro**

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Bonds

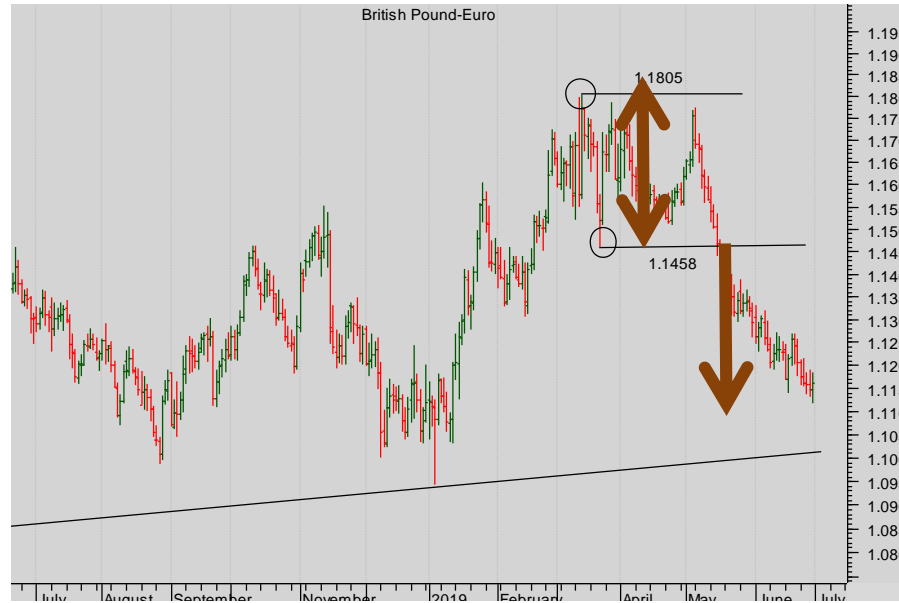
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- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Currencies: Sterling Euro



Sterling Euro daily spot cash chart

This short-term top suggests that there may still be some residual bear Sterling momentum but the bottom of the range is approaching.



Stocks

STOCKS:

The markets are poised to break up with another bull leg. There has been some early excitement with the EuroStoxx but watch and wait for the S&P to break. Note the hugely powerful FTSE and Nikkei set-ups. But wait for the S&P break.

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Commodities

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IMPLIED ASSET ALLOCATION

Stocks: CME S&P



CME S&P 500 monthly cont. futures chart

The market broke the well-established long-term diagonal support, and then bounced.

NB first long-term support lies some way beneath the market at 2118 – the horizontal from a Prior High back in 2015

We are now pausing at the Prior high 2946.

More



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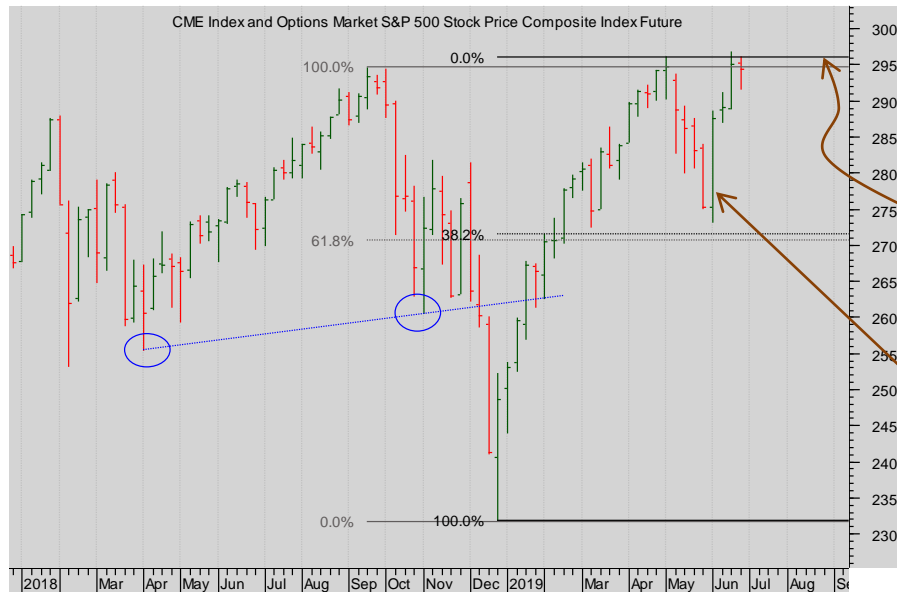
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Commodities

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IMPLIED ASSET ALLOCATION

Stocks: CME S&P 500



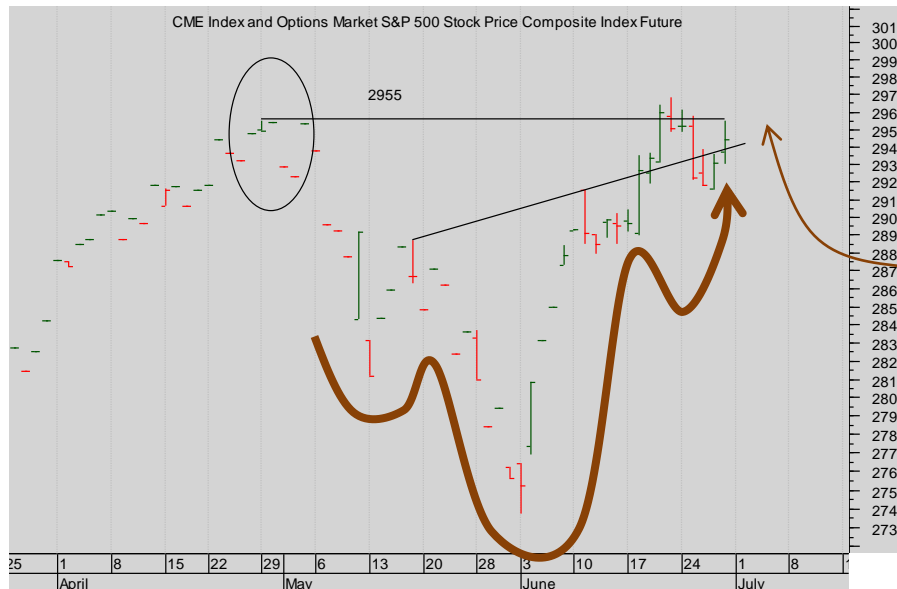
CME S&P 500 cont. weekly cont. chart

The repeated 2nd test of the old high is significant - the test of the bull intention of the market is it's ability to break up through the Prior High.

Stand back.

While the old high remains unbreached, the market is increasingly vulnerable...

Yet... there is now a clear **Bull Key Reversal** in place



CME S&P 500 daily Sep 2019 chart

Is that a H&S Reversal in place? But note the pause at the Prior high.

It looks thrilling for the bulls but wait for a break above the 2955 level to confirm.

More



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Commodities

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IMPLIED ASSET ALLOCATION

Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 monthly continuation futures chart

The long-term condition of the market is quite clear: the market failed twice at the old 3769 High and remains vulnerable.

But the break up through the resistance at the Prior Low of 3172, was cause for celebration for the bulls.

The bull need the market to break up through the Prior High 3761.



Eurex EuroStoxx 50 weekly continuation futures chart

The push and close above 3448 looks good but needs confirmation. Helping to ratchet the market higher and higher.

More



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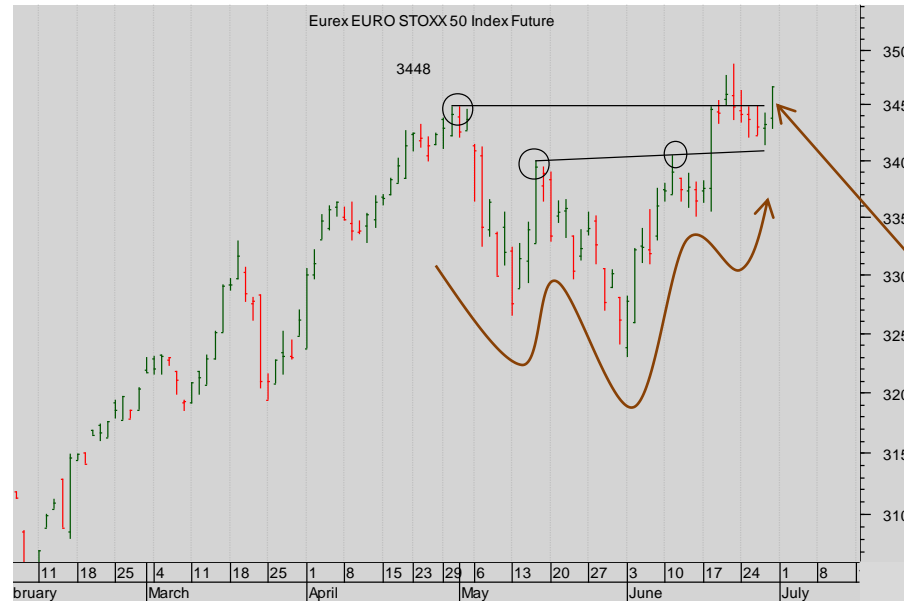
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- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Stocks: Eurex EuroStoxx 50



Eurex EuroStoxx 50 daily Jun 19 futures chart

Short-term, the market looks well set to drive Higher given the completed H&S continuation pattern – note the bounce of the Neckline.

Now watch for a confirmed close above the Prior High at 3448.

We are bulls.



Stocks: Liffe FTSE 100

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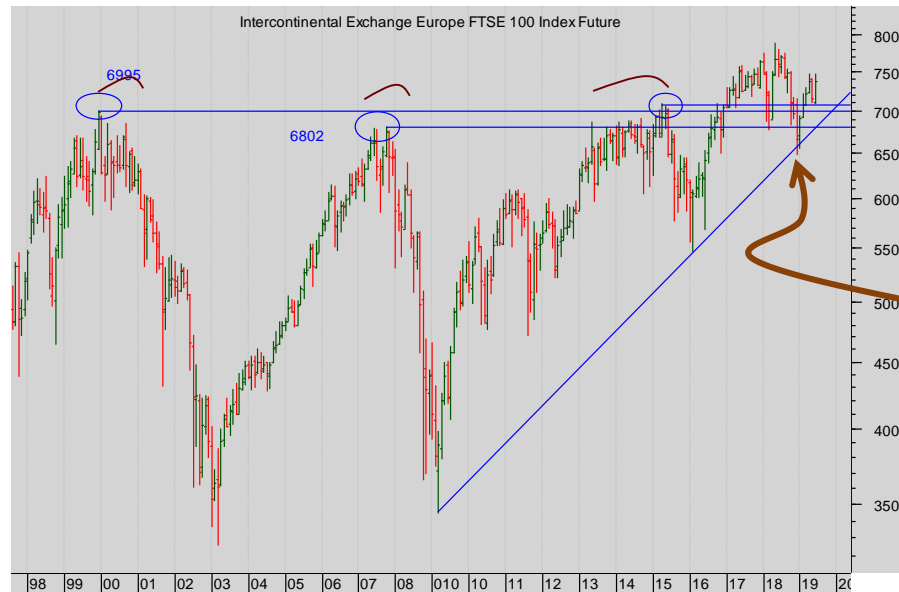
Bonds

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Commodities

- + Oil
- + Gold

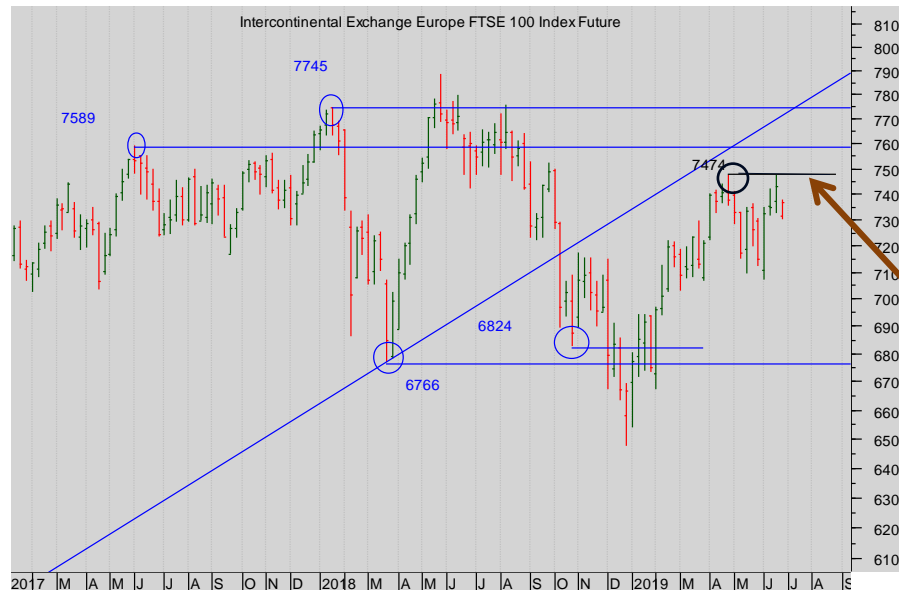
IMPLIED ASSET ALLOCATION



Liffe FTSE 100 Monthly continuation futures chart

So the support from the succession of Prior Highs (6796, 6995) was smashed, then there was a **powerful bounce** from the diagonal uptrend support drawn from 2009... and the consequent push back above the band of support from the Prior Highs.

This should still give enormous confidence to UK investors because of the very long-standing and powerful support still beneath the market.



Liffe FTSE 100 Weekly cont. futures chart

The bounce back up through the resistance from the Prior Lows was impressive and began the rally.

Now watch and wait for a break up through the Prior High at 7474...

More



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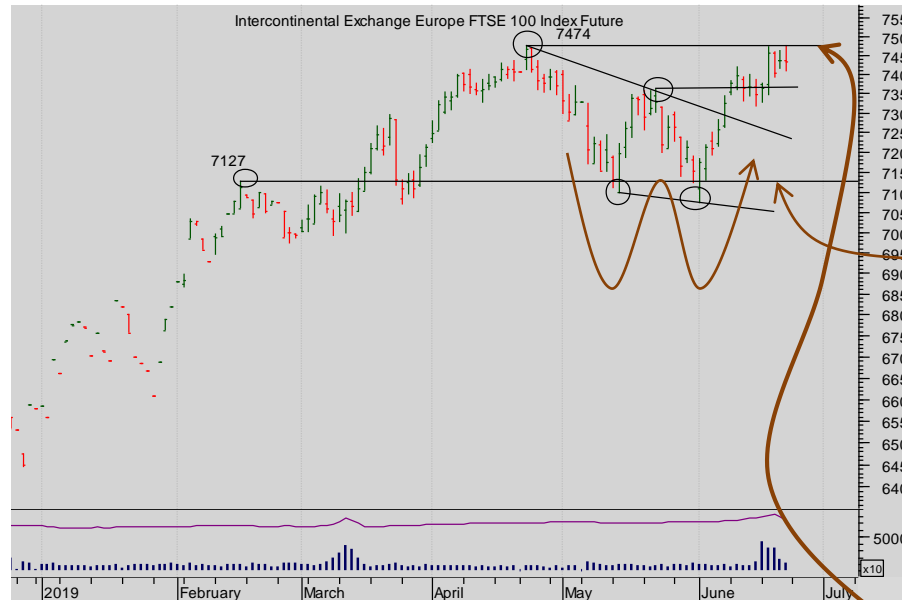
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Stocks: Liffe FTSE 100



Liffe FTSE 100 SEP 19 daily futures chart

Note how the 7127 support held.

So too how the market has completed a bull falling wedge to the upside.

Or is that a Double Bottom, completed? We are bulls.

Watch now for a break up through 7474.



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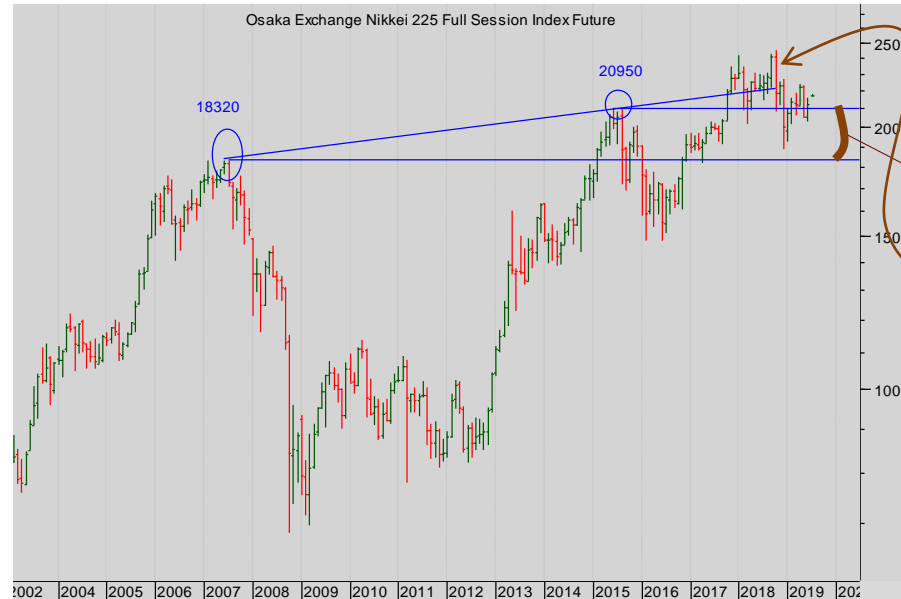
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

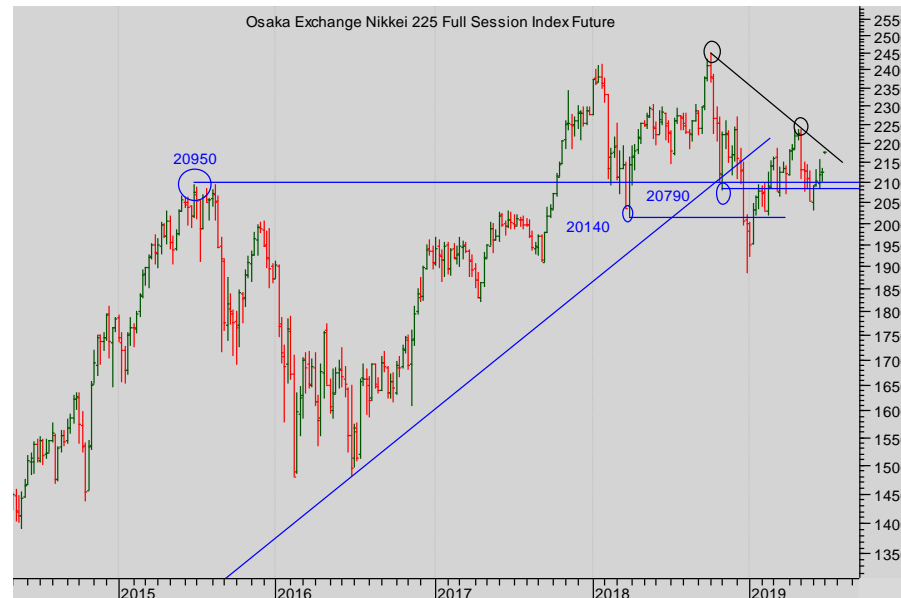
Stocks: OSE Nikkei 225



Nikkei 225 chart (monthly)

The market is retesting the support 20850.

And in so doing is that a monthly Key Reversal



Nikkei 225 chart (WEEKLY)

Stand back – and wait for the break up through the falling diagonal to confirm that there has been a third bounce off the 2015 High.

More



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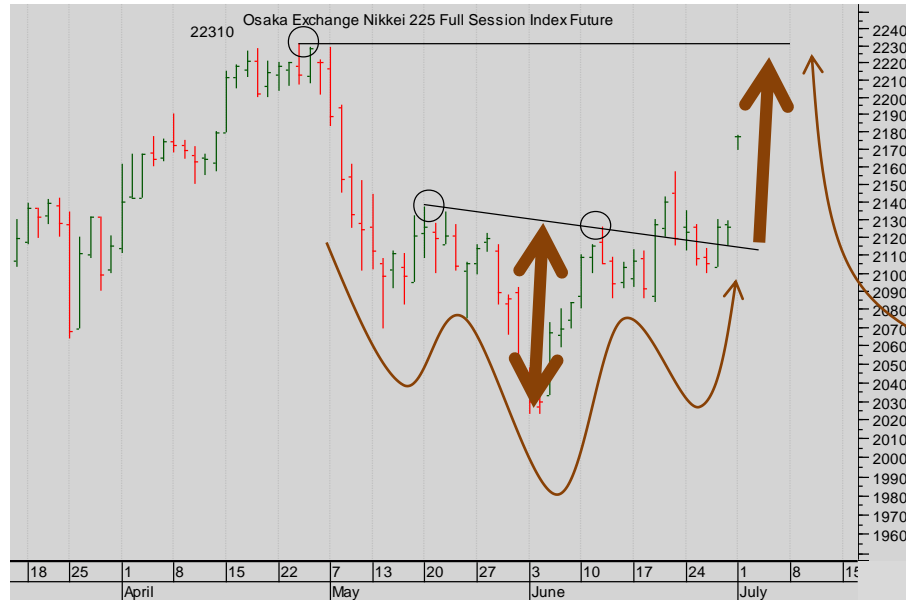
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Stocks: OSE Nikkei 225



Nikkei 225 chart Daily SEP 19.

The completed a H&S top is bullish – add on a break through the Prior High 22310.

The bulls are in charge.



Stocks: RELATIVE STRENGTH

Sterling-hedged US and EU

The relative strength of the FTSE has had a dramatic move.

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Commodities

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iShares FTSE Etf. Daily chart.

Note now the dramatic relative failure of the UK market, relative to the US in the bull moves.



Bonds

BONDS:

The short-term pauses of these bond markets reveal greatest vulnerability in the UK and least in the Bunds. But there is no breakdown anywhere yet...and the bunds look especially close to breaking up again.

Watch our short-term levels to add on to longs on fresh breaks...

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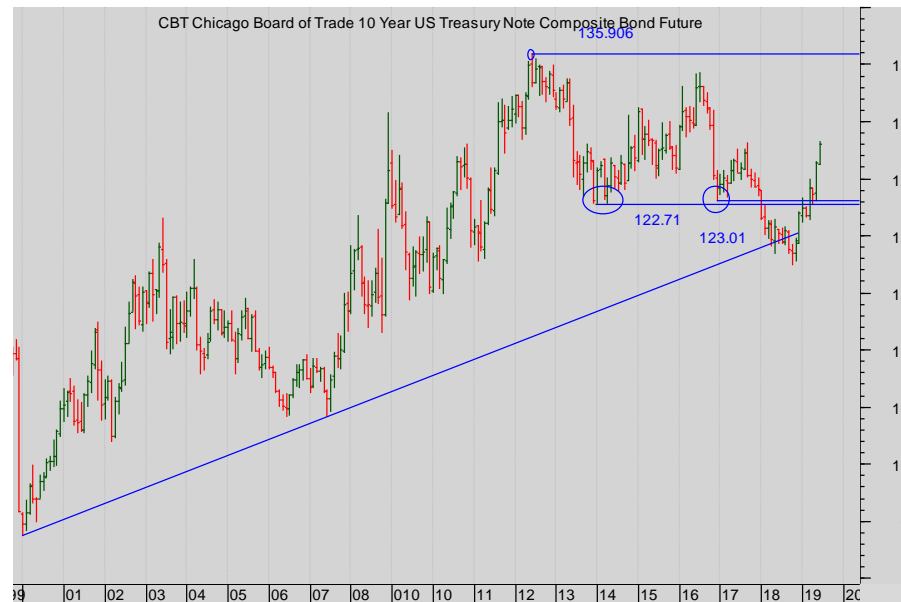
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Commodities

- + Oil
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IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



CBOT Ten Year Notes monthly futures continuation chart

The recent two-month rally has driven through the diagonal and the horizontal bands of resistance.

A massive statement of strength.

Look closer.

More



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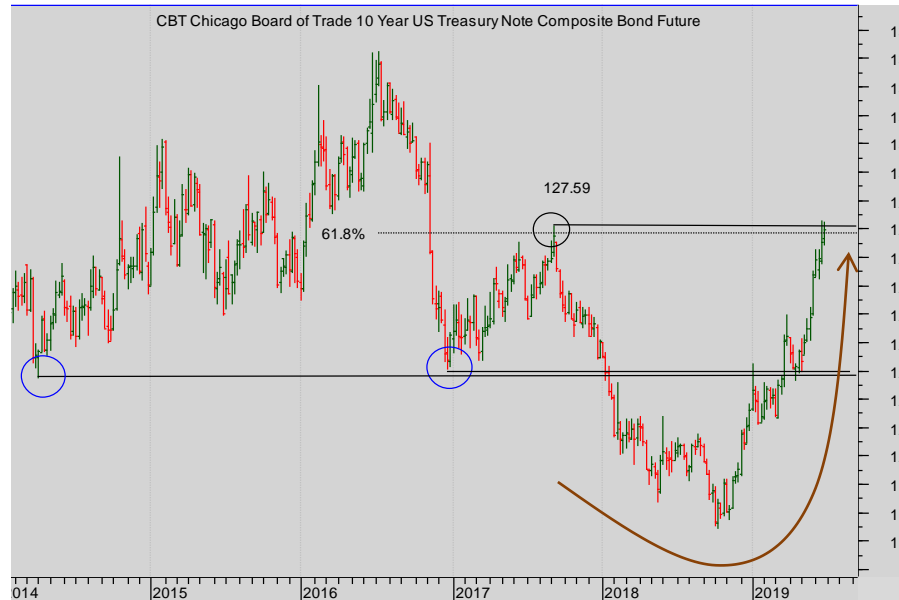
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Commodities

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IMPLIED ASSET ALLOCATION

Bonds: CBOT Ten Year Notes



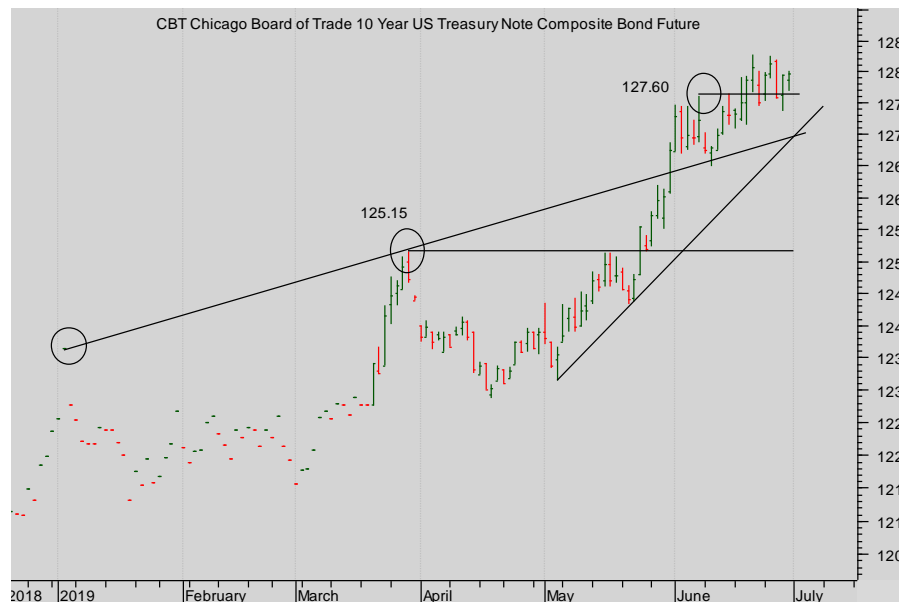
CBOT Ten Year Notes weekly futures continuation chart

This looks even more impressive.

The break up through the band of resistance from the prior Lows is hugely impressive.

And now having bounced off that same level,

the bulls look to have got going again ...



CBOT Ten Year Notes daily Sep 19 futures chart

The bull trend is clear and continuing.

More



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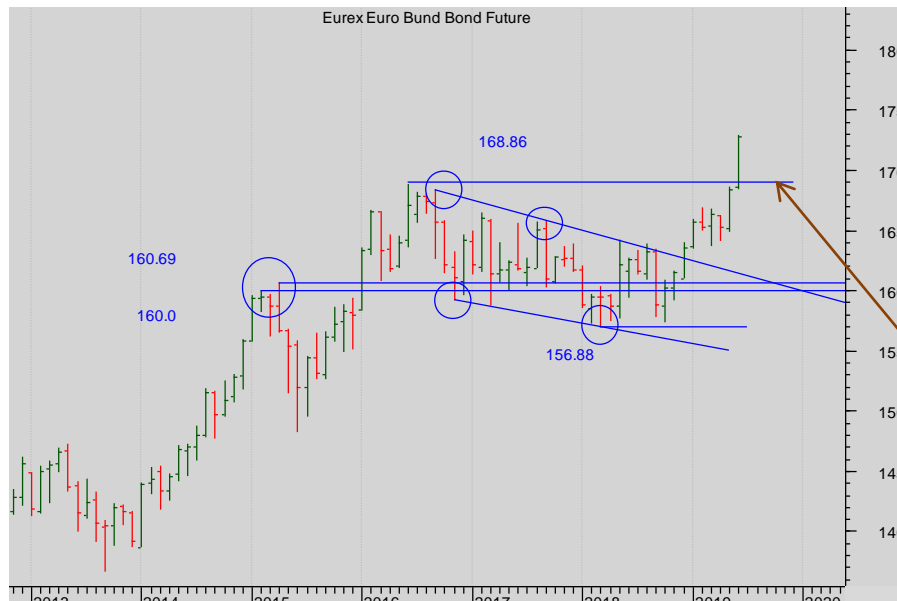
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IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund monthly futures continuation chart

The break up through the falling diagonal was important and set up a new bull leg by **completing a bull falling wedge formation**.

The break up through the Prior High adds another support beneath the market. Ratcheting it higher.



Eurex Ten Year Bund weekly **cont.** futures Chart

The bulls are excited...first support on pull-back 163.88 Prior High was strong.

Now a bull continuation Triangle has completed

Minimum move? UP to 170...

More to come.
The bulls are in charge

More



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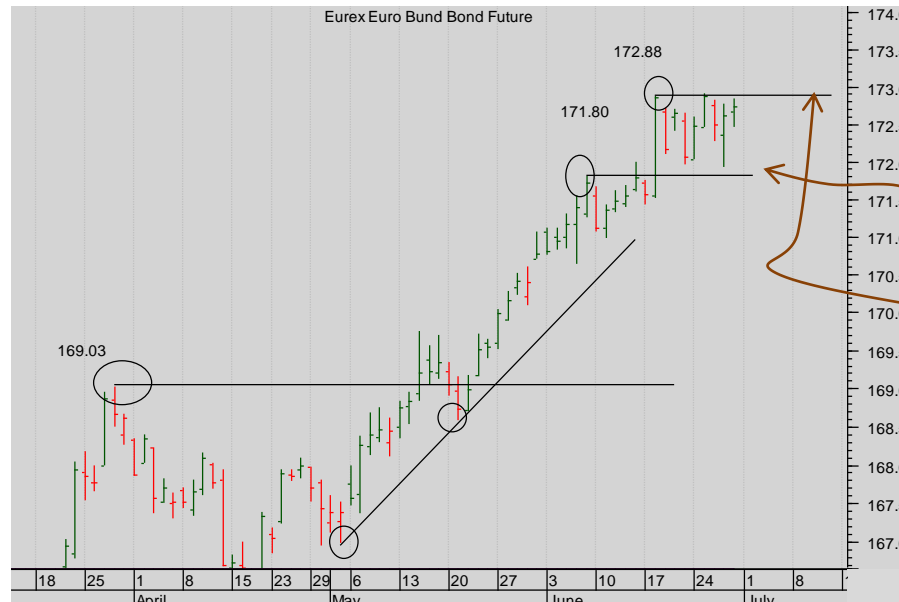
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IMPLIED ASSET ALLOCATION

Bonds: Eurex Ten Year Bund



Eurex Ten Year Bund Sep 2019 Daily futures chart

The bulls are in charge still.

Add on a break up through the Prior High 172.88.



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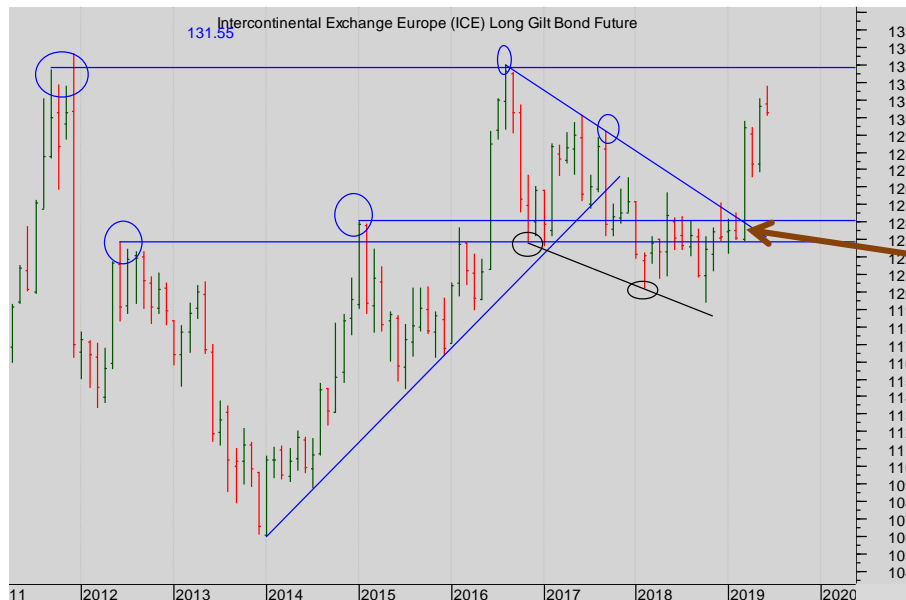
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Commodities

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IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Liffe UK Gilt monthly futures continuation chart

The break up through the falling diagonal completed a bull falling wedge which allowed the market to bounce off the horizontal resistances.



Liffe UK Gilt weekly continuation futures Chart

Watch for support from the Prior Highs on the drift.

More



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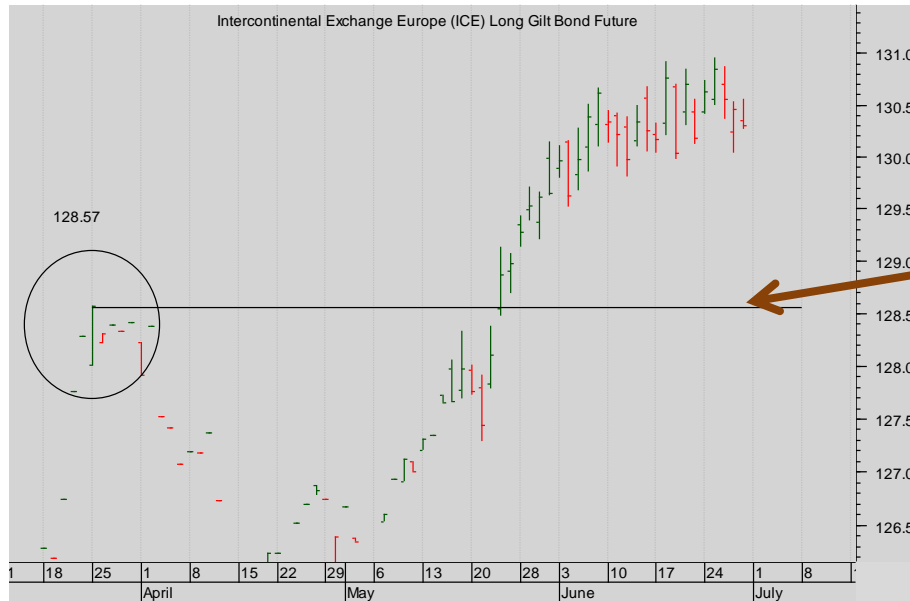
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Commodities

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IMPLIED ASSET ALLOCATION

Bonds: Liffe UK Gilt futures



Long Gilt daily Jun 19 chart

The market looks set for another bull run..

The prior high 128.57 is good support on any pull-back now.



Commodity

COMMODITIES:

Oil looks to have met good short-term resistance overhead, but there is a lack of congruence with the other time frames. Gold has broken up in the long and medium-term. The pause and drift in the short-term should be closely watched against the supports beneath the market.

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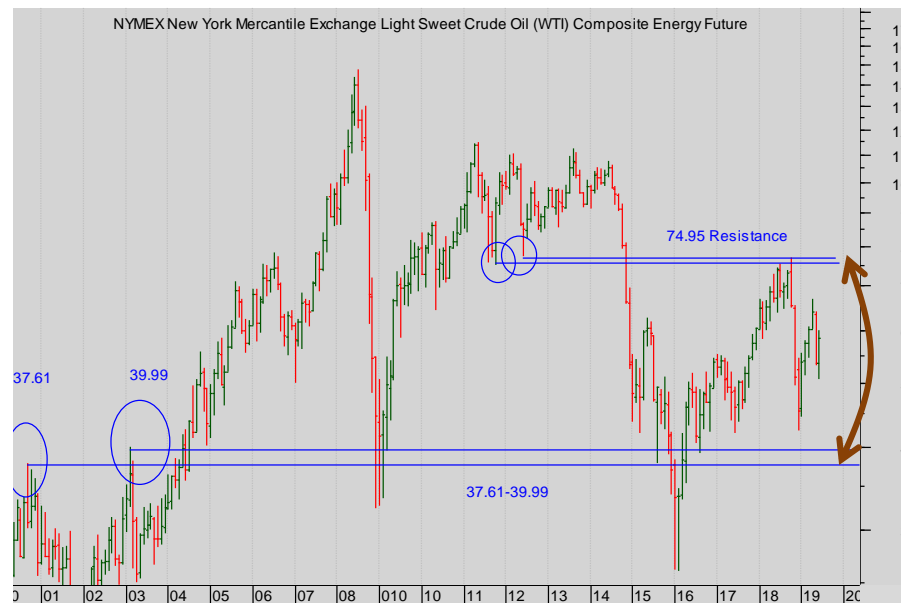
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IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil monthly continuation

The rally from 35.94 support failed at the resistance from the low at 75.35.

Then a confusion arose ... look closer.

More



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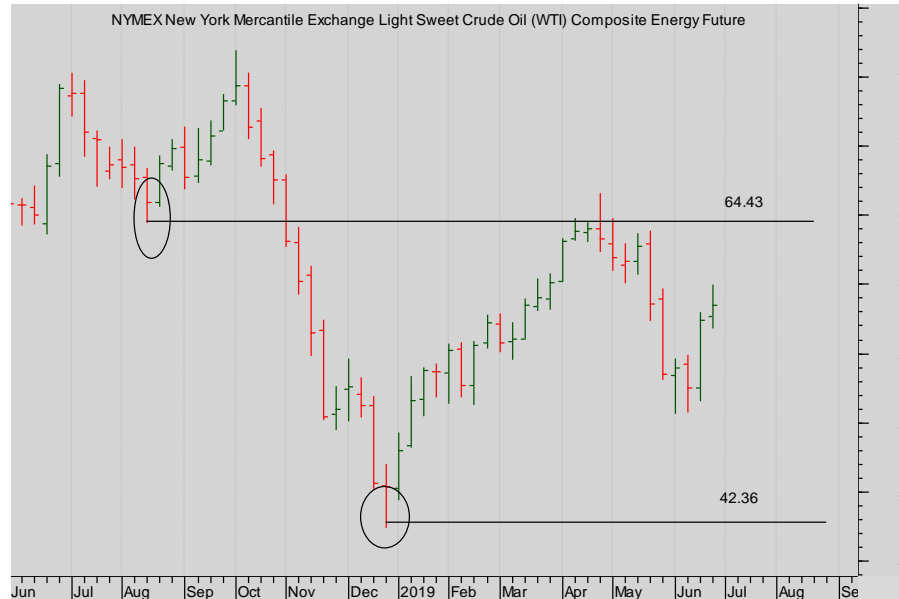
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- + Oil
- + Gold

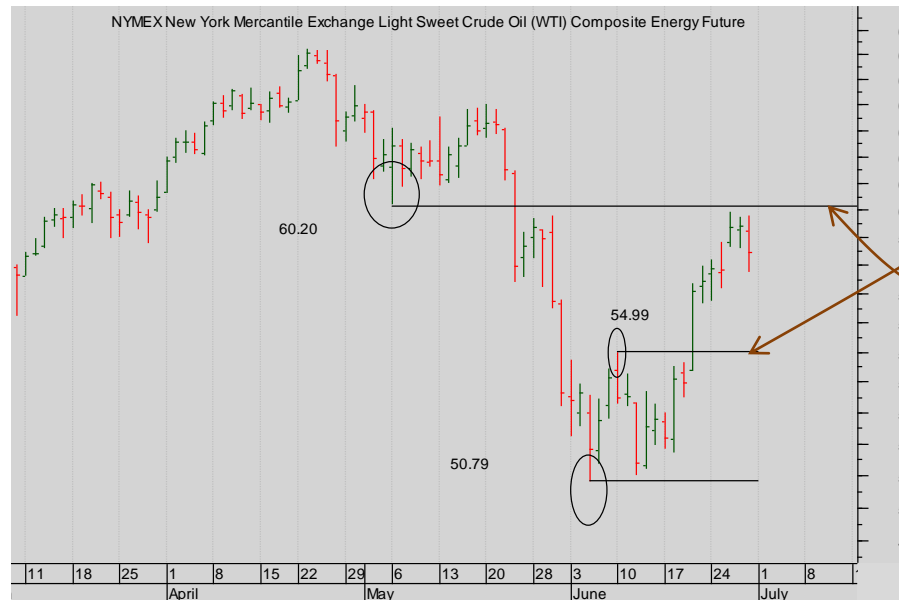
IMPLIED ASSET ALLOCATION

Commodities: Nymex WTI Oil



Nymex oil weekly continuation

There's a range...



Nymex oil daily Jun 19 futures

A small Double Bottom has completed – possibly, but also there's good resistance at the 60.20 low.



Summary

Currencies

- + Dollar Euro
- + Dollar Sterling
- + Dollar Yen
- + Sterling Euro

Stocks

- + S&P 500
- + EuroStoxx 50
- + FTSE 100
- + OSE Nikkei 225

Bonds

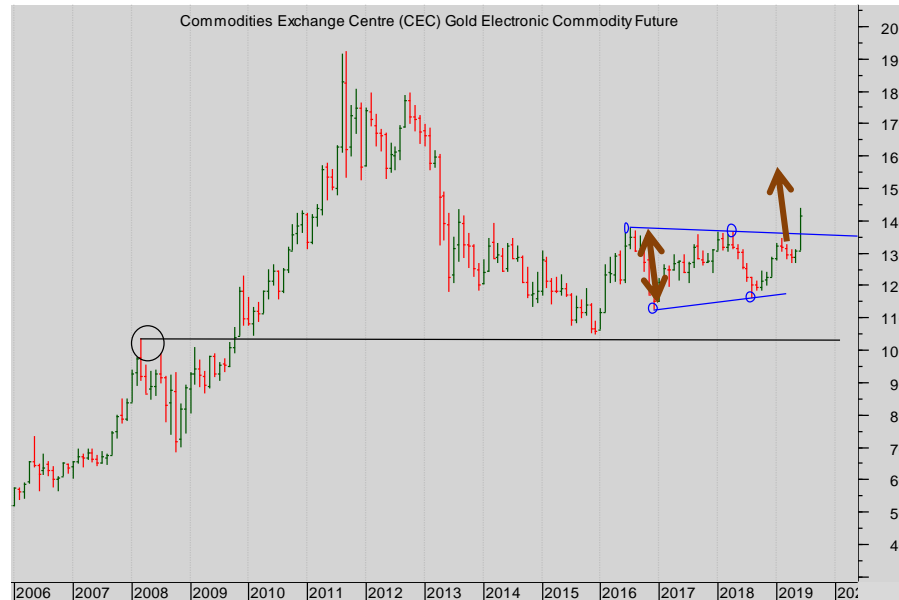
- + Ten Year US TNote
- + Ten Year German Bund
- + UK Gilt

Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

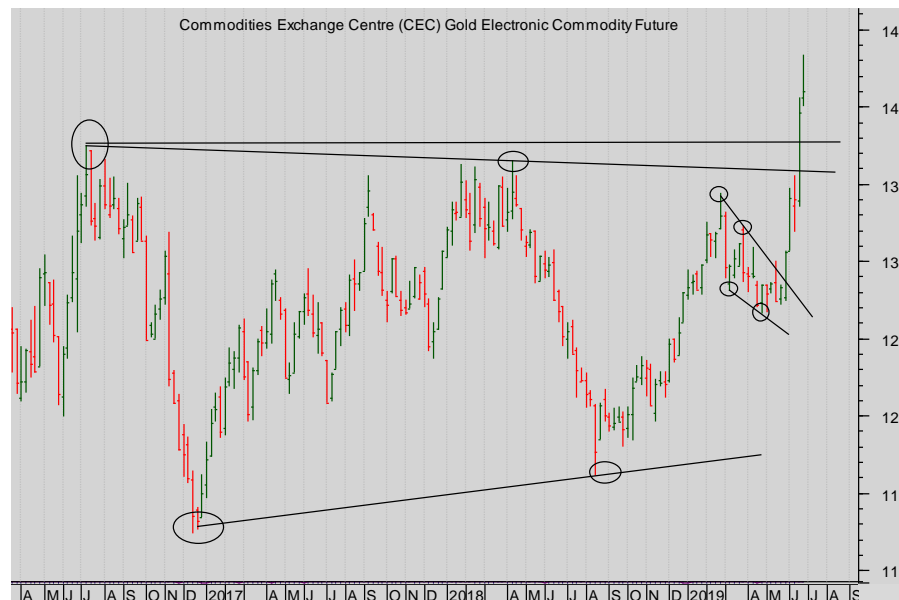
Commodities: Comex Gold



Nymex Gold Monthly

The long-term chart shows a clear bounce from the long-term support from the Prior High (and Fibonacci) at 1033.90.

A bull continuation Triangle has **completed**.



Nymex Gold weekly

The detail of the price action within the trading range....

Note the bull falling wedge ...

Good support now beneath at 1380 and 1360.



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Bonds

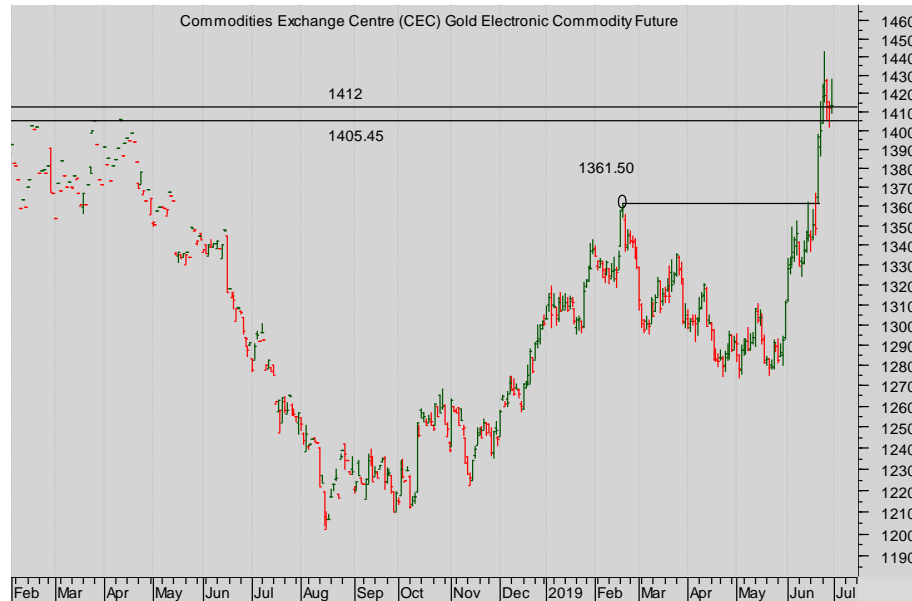
- + Ten Year US TNote
- + Ten Year German Bund
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Commodities

- + Oil
- + Gold

IMPLIED ASSET ALLOCATION

Commodities: Comex Gold



Nymex Gold August 2019 Daily

First support on any drift lower is down at 1361.



Summary

Summary

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Bonds

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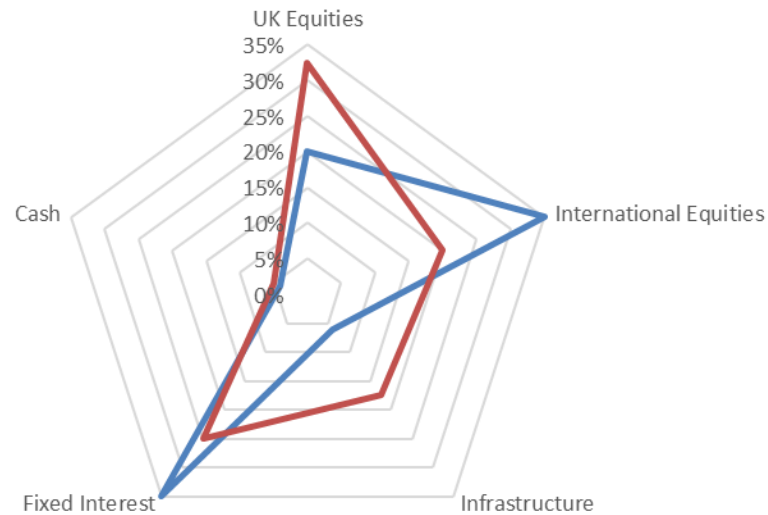
Commodities

- + Oil
- + Gold

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MSCI Balanced Risk Asset Allocation



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the technical *analyst*

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